

**Sample: Water and Sewer Letter of Credit**

**MUST BE ON BANK LETTERHEAD**

Date of Issue: \_\_\_\_\_

Initial Date of Expiry: \_\_\_\_\_

Issue Number: \_\_\_\_\_

Beneficiary: Board of County Commissioners of Frederick County  
C/O DUSWM - Water and Sewer  
4520 Metropolitan Court  
Frederick, Maryland 21704

Re: IRREVOCABLE LETTER OF CREDIT

We hereby establish our irrevocable letter of credit in your favor for the account of: (NAME AND ADDRESS OF CUSTOMER PROCURING THIS LETTER), up to an aggregate amount of \$ \_\_\_\_\_ available by your drafts at sight accompanied by: A signed statement that the funds are being drawn and required in accordance with a Public Works Agreement between Frederick County and (NAMES OF ALL OTHER PARTIES TO THE PUBLIC WORKS AGREEMENT) for the water and sewer contract [contract number].

Drafts must be drawn and negotiated prior to expiration at our counters, or by facsimile with original documents sent by certified mail within 72 hours.

This Letter of Credit shall be deemed automatically renewed without amendment for successive one-year periods from the initial and any future expiration date(s). Cancellation of this document may only occur 60 days after written notice of the intent to cancel has been sent by certified mail, return receipt requested to Frederick County.

Each draft must state that it is drawn under the Irrevocable Letter of Credit of (ISSUER) number \_\_\_\_\_ dated \_\_\_\_\_.

Partial draws are permitted.

This Letter of Credit is not transferable or assignable without written consent of (NAME OF ISSUING BANK).

Requests for reduction or cancellation shall be submitted to:

Frederick County Division of Utilities and Solid Waste Management  
Water and Sewer  
4520 Metropolitan Court  
Frederick, MD 21704

This letter of credit is subject to the "Uniform Customs & Practices for Documentary Credit A1993 Revision" of the International Chamber of Commerce, Brochure #500.

We hereby agree that all drafts under and within the terms and amount of this credit accompanied by the documents above specified will be duly honored upon presentation to the drawee.

Yours truly,

**\* This letter of credit must be issued by a Maryland bank, or include a Maryland location for presentment of drafts.**

Revised 8/06KLM